CENTRAL INTELLIGENCE AGENCY





THE SITUATION IN VIETNAM

Information as of 1600 5 August 1966

State Dept. review completed

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HIGHLIGHTS

An analysis of the operational capabilities of the North Vietnamese SA-2 missile system over the last several months indicates that, despite recent efforts to increase efficiency, it continues to give a poor performance.

I. The Military Situation in South Vietnam:
Operation PAUL REVERE I was concluded in Pleiku and
Kontum provinces and immediately was followed by
PAUL REVERE II in the same area (Para. 1). A South
Korean force killed 17 Viet Cong and destroyed seven
sampans in Operation JOHN PAUL JONES which is continuing in Phu Yen Province (Para. 2). Reconnaissance missions indicate a possible new infiltration
route into Phuoc Long Province (Para. 6)

route into Phuoc Long Province (Para. 6).

Viet Cong labor problems appear widespread (Paras. 8-9).

II. Political Developments in South Vietnam:
Recent assassinations among the Chinese community in
Cholon appear to be the work of the Viet Cong (Para.
1). Speculation is rife about potential travel
plans of Thich Tri Quang (Para. 2).

III. Military Developments in North Vietnam: The SA-2 missile system continued to give a poor performance throughout July despite a record number of firings and significant efforts by the North Vietnamese to

increase their efficiency (Paras. 1-3).

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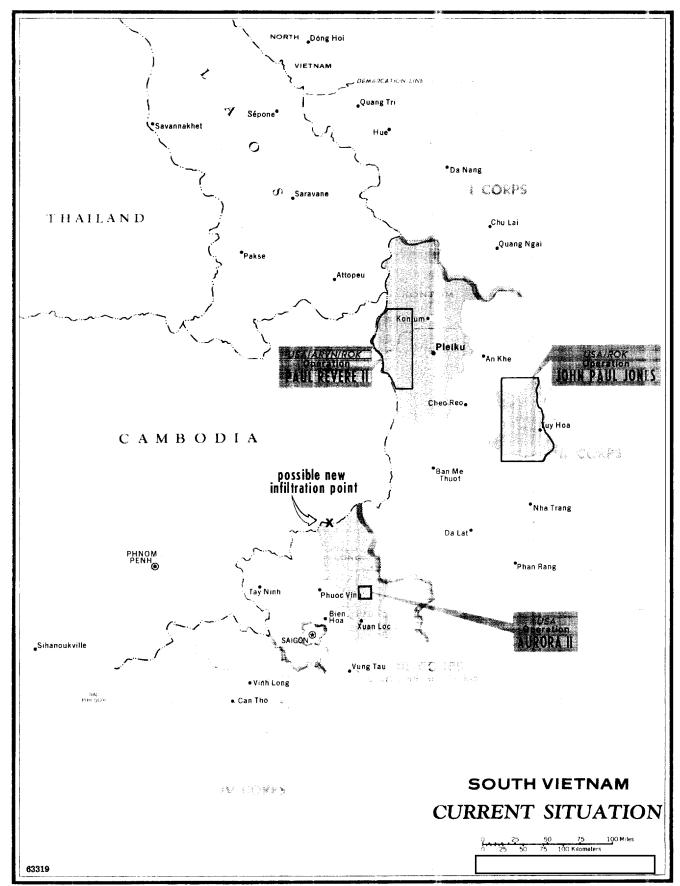
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I. THE MILITARY SITUATION IN SOUTH VIETNAM

- 1. A delayed report indicates that operation PAUL REVERE I in Pleiku and Kontum provinces ended on 31 July after 22 days. Operation PAUL REVERE II began immediately thereafter with the same forces in the same area. Final casualty figures for PAUL REVERE I are 79 friendly killed (63 US), 342 wounded (301 US) and 12 missing. Communist losses were 613 killed, 74 captured, and 241 weapons captured. A total of 679 tactical air sorties were flown in support of this operation.
- 2. A company of the South Korean brigade participating in Operation JOHN PAUL JONES in coastal Phu Yen Province reported an engagement yesterday with a Communist force moving in small Vietnamese fishing sampans. A total of 17 Viet Congwere killed and seven sampans were destroyed. There were no friendly casualties.
- 3. A South Vietnamese company established heavy contact with an estimated battalion-size Viet Cong force in Binh Long Province 70 miles north of Saigon yesterday. Reinforcements were flown in and a search operation was initiated. There were no reported friendly casualties. Enemy losses are unknown.
- 4. Yesterday, a South Vietnamese Regular Force Company engaged an estimated Viet Cong platoon for 30 minutes in an area about 35 miles southwest of Saigon. Friendly casualties were two wounded and two missing. Viet Cong losses included 20 killed.
- 5. Search-and-destroy Operation AURORA II, which began in Long Khanh Province on 16 July, ended on 3 August with light casualties on both sides. Friendly losses included nine wounded and one helicopter damaged. Three Viet Cong were killed and two captured. Small amounts of food and supplies were also captured or destroyed.

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Possible New Infiltration Route

6. Results of recent reconnaissance missions suggest that there may be a new route from Cambodia into Phuoc Long Province about 85 miles north of Saigon. Heavy truck traffic has been reported on the Cambodian segment of the route and heavy oxcart and foot traffic has been observed from the border to a point within South Vietnam. There have been several returnee reports of possible infiltration in this area of Phuoc Long Province.

Viet Cong Labor Problems

- 8. The Viet Cong in some areas are continuing to have trouble in recruiting and keeping laborers. A document captured in Phuoc Tuy Province, dated 29 April, indicated that 13 villages responded to a labor "mobilization" as follows: three villages provided eight laborers each, four villages sent none, five villages—all in the same district—provided a total of two laborers, both ARVN defectors, and, one village provided 13 laborers, but 11 of these "escaped before departure."
- 9. Other captured documents indicate that similar labor problems are widespread for the Viet Cong. The manpower squeeze for labor seems likely to grow. Reasons for the probable increase include the flow of refugees out of Viet Cong territory, heavy casualties, the Viet Cong draft, and the very gradual increase in the number of hamlets pacified by the government.

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II. POLITICAL DEVELOPMENTS IN SOUTH VIETNAM

the recent assas-

sination of a labor representative of the Vimytex
Textile Plant was possibly engineered by the Viet
Cong. The victim, Ly Hsiao, stated before dying
that he had received a warning from the Viet Cong.

the Vimytex managerial
staff and Taiwanese engineers employed there have
also received similar threats from the Viet Cong.

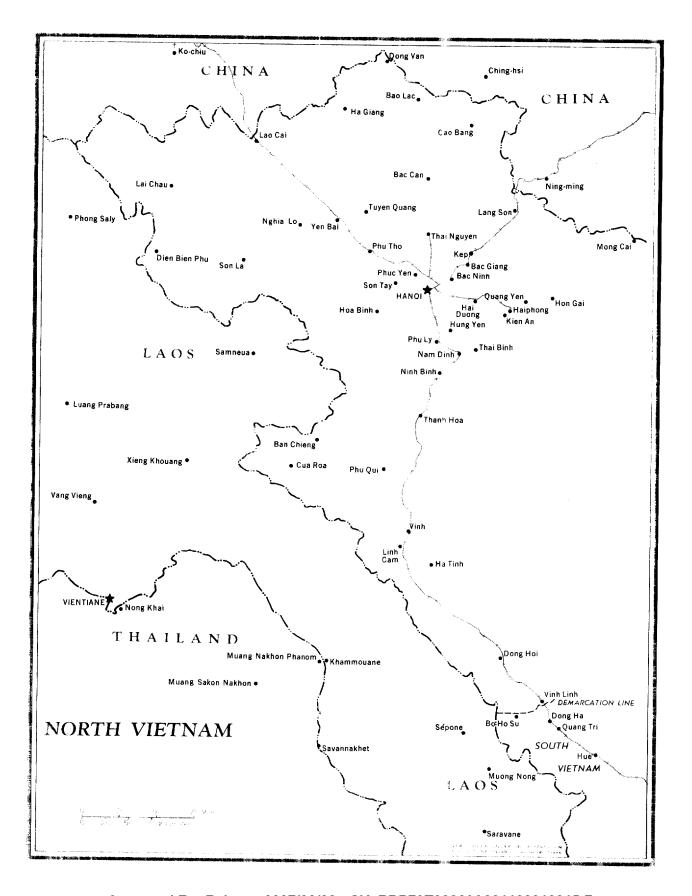
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staff and Taiwanese engineers employed there have also received similar threats from the Viet Cong. The Ly assassination, which followed similar killings in Cholon, (the Chinese adjunct of Saigon) suggests a pattern of assassinations targeted at Overseas Chinese by the Viet Cong. Chinese community leaders in Cholon are once again complaining about the security situation to Vietnamese Government officials.

2. A recent flurry of newspaper articles in Saigon has raised the possibility of Thich Tri Quang's ending his hunger strike to go to Japan. According to one article, a spokesman for the Buddhist Institute has said that, although no invitation has been received from a Japanese delegation in Saigon for Tri Quang, the matter would be discussed if such an invitation were forthcoming. On the other hand, a Zen priest who is one of the visiting Japanese delegation, has inquired of US Embassy officials what the official US view of such an offer would be. To date there has been no reaction by the GVN to the press speculations of Tri Quang's going abroad, and it remains questionable whether Saigon authorities, now restricting Quang's contacts, would permit his departure.

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III. MILITARY DEVELOPMENTS IN NORTH VIETNAM

l. Surface-to-air missile activity in North Vietnam is continuing at a high level as the DRV searches for ways to improve the poor performance of its SAM system. Although three US aircraft were downed by SA-2s during the month of July-the first since April--there was no indication that any new measures had increased the effectiveness of North Vietnam's missile defenses. July's total of 193 missile firings exceeded all those fired during the preceding six months, and US aircraft flew in greater numbers over the areas most heavily defended by SAM sites.

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3. The North Vietnamese also appear to be making efforts to cope with US countermeasures such as radar-homing missiles, electronic detection systems, and low-altitude flight maneuvers.

US pilots also have reported the tethering of

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numerous weather balloons along a ridge line northeast of Haiphong. This tactic may be intended to restrict low-level flight or to provide air defense personnel with a visual reference for the altitude of attacking aircraft.

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